

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE

REVIEW REQUIREMENTS

PERSONAL EXCESS

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
FORMS		
APPLICATIONS		
Fraud Warning Required	N.J.S.A.. 17:A-6 & N.J.A.C.. 11:16	All applications for insurance shall prominently and clearly contain the following statement: "Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."
ARBITRATION		
Binding	N.J.S.A. 17:36-5.20	Binding for Physical Damage Losses.
CANCELLATION & NONRENEWAL		
Cancellation by Insured -Premium Refund	N.J.S.A. 17:36-5.20	Language allowing the Insured right to cancel the policy upon written request of the Insured. The insurer may retain customary short rate for the time in force and return to the insured the policy's unearned premium.
Cancellation by the company	N.J.A.C. 11:1 - 20.2 & 20.4	Non-payment of premium require a minimum of 10 days notice prior to effective date of termination. Other reasons require a minimum of 30 days notice, but no more than 120 days.
Nonrenewal	N.J.A.C. 11:1 - 20.2 & 20.4	A minimum of 30 days notice is required, but no more than 120 days.
FILING STANDARDS		
Forms	NJSA 17:29A-6	All personal policy forms must be filed and receive formal approval before use.
Format	N.J.A.C. 11:1-2	Establishes requirements as to the format of filings for policy forms and endorsements.
LIABILITY LIMITS		
Defense Costs Within Limits	N.J.A.C. 11:13-7.3(a)	Defense costs, including prejudgment and postjudgment interests, are not permitted within the liability limit and must be a supplementary payment in addition to the liability limit.
Hired & Non-Owned Auto	N.J.S.A. 39:6B	Must provide pollution coverage of at least statutory limits of \$15,000/30,000/5,000.
READABILITY POLICIES		
Plain Language	N.J.A.C. 11:2-18	Personal lines only. Insurers can request certification.
EXCLUSIONS		
Lead Paint	N.J.A.C. 11:13-7.4	Must comply with regulation
Named Excluded Driver	N.J.A.C. 3-13.5	Only permitted for comprehensive and collision coverages
Sexual Molestation Exclusion	Unpublished requirement	Permitted only if an optional buy back coverage is offered. The rates for the buy back must be submitted with justification.
Terrorism Exclusion	Unpublished requirement	NOT permitted. Misleading and against public policy.

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RATES & RULES		
PRICING		
Rating Standards	N.J.S.A. 17:29A7	Rates shall not be excessive, inadequate or unfairly discriminatory
Rates/Rules	N.J.S.A. 17:29A-6 & 17:29A-7	An insurer may itself established rates and supplementary rate information or may use rates prepared by a rating organization of which it is a member.
GENERAL FILING REFERENCES		
Filing Status	N.J.S.A. 17:29A-6	All personal rates and rules must be filed and receive formal approval before use.
Format	N.J.A.C. 11:1-2	Establishes requirements as to the format of filings pertaining to rates, rules, and rating plans.
Excess Rate Filings	N.J.S.A. 17:29A-7.1	Excess Rate Consent Filings are permissible for those individual risks that have unique characteristics that are not contemplated by the company when developing the rate for the average risk in that class.
Premium Payment Plans	Bulletin 94-01	Premium Payment Plans filed with the Department should comply with Bulletin 94-01 (All Insurers Transacting Business of Personal Private Passenger Auto Insurance in New Jersey)
Statistical Reporting	N.J.S.A. 17:29A-6	Insurer must report statistical information to a statistical agent